

CHO

AU-R-000575

This entity qualifies for the Gold level tier of the Social Equity All-Star Program





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- Social Equity Plan -

Mission Statement

Provide the communities that we are in with only the highest level of quality in products, experiences, and expertise - while also giving back to the communities that surround us.

The Vision Statement

CHO is an ethnic minority owned, legal, state-licensed, adult-use, recreational cannabis store located at 75 N Bridge St in Saranac, MI. We may have only nine employees on payroll – but we do so much more than just retail marijuana. We want to support the communities that support us. Quoting the President of CHO Malcolm Culmer, "We want to make an impact on the supporting communities that we touch as we grow. We would like to stand out and offer more than just the tax dollars within every community that welcomes us".

Here at CHO - we have a vision. A vision that allows people from all walks of life to be able to become successful. Our employees are our most important asset - and should be treated as such. Coming from a sales and marketing background, the owners of CHO wanted to implement everything that they've learned and apply it to the cannabis business field. People should be rewarded for their hard work and perseverance. At CHO, we are able to create spaces where someone without a college degree – including those who have been disproportionately affected by cannabis prohibition - could learn the business ins-and-outs and successfully run the location. We call this the "Management Training Program". This program allows anyone to come in and work from an entry level Budtender or Admin role to Team Leader, and then to eventual Management positions. They are trained on every aspect of the business and are able to grow with the company to be a Store Manager in less than one year's time - which is unheard of in a lot of industries. We believe that with great diligence and hard work, anyone should be able to grow and exceed personal expectations. Our Vision is to empower as many people as possible. Everyone deserves an equal opportunity.

CHO is not just an adult-use recreational cannabis retail store; it is a culture – a culture of opportunity, and equality. We do not just offer jobs, we offer opportunities. CHO is a culture of acceptance, where everyone (twenty-one years old and older) is welcome. CHO is where you go when you have a bad day and need a cheerful smile, or a good laugh to forget your woes. CHO is a safe haven for so many people, including those who have been deemed disproportionately affected by cannabis prohibition. When you are having a good day and need somebody to share it with – CHO is there to be happy and excited right there along with you. Good days, bad days, and everything in between – CHO is there for you.

The communities that we are in love us because they know that we will always be there for them in any way that we can. If you have ever walked in our door, then you are already a part of the CHO family! Our customers sometimes do not even come in to make a purchase, they come in to feel genuinely cared about. That's ok with CHO because sometimes, cannabis isn't about money – sometimes it's about love. We're CHO, and we're here for you.

Social Equity Accomplishments of 2022

Social equity is so important to the philosophy of CHO, that the very walls of CHO are proudly decorated with it! We will promote local individuals who are artists (and their art) on our social media pages. When their art sells from off our walls, then the artist will receive one hundred percent of the money received for the artwork. Currently at the time of writing, every single art piece decorating CHO was created by a different local woman. Our continued commitment to this aspect of our social equity program is so strong that we named the main retail sales floor that we display the art alongside our cannabis products, "The Gallery". This is reflected in our current standard operating procedures manual.

Collectively to date, CHO has sold a total of fifty-five art pieces. We track the effectiveness of this social equity program by creating SKU's for art pieces in our point-of-sale computer software. In addition, CHO has promoted, displayed, sold, and had all monies earned donated back to the individual local artists for a minimum total of \$704. Currently, there is approximately two thousand dollars' worth of local art being promoted and displayed for sale inside of CHO to solely and entirely benefit local artists. We even opted as a company to employ full time one of the most popular local artists that we chose to include as part of our social equity plan for the year 2022. They identify as an individual who has been affected disproportionately by cannabis prohibition – in more than one category.

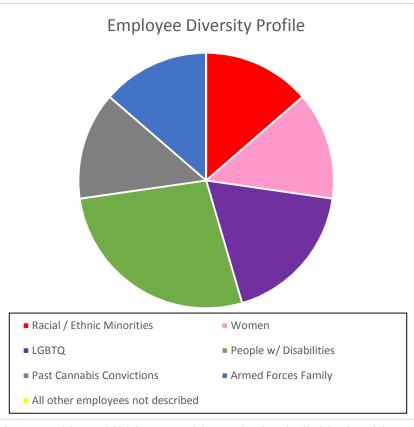
In another accomplishment, CHO proudly gave back to the community that surrounds it through the Lake Creek clean-up effort on May 29th undertaken voluntarily by its employees, management, and a few carefully selected members from the community. Armed with six five-gallon buckets and some debris nets, our team from CHO and its volunteers were able to make it through a grueling and treacherous 1,373ft worth of Lake Creek in Ionia County before having to call it a day and go back in time to open our cannabis retail dispensary. At

the end of the clean-up, all the five-gallon buckets had been filled with trash, garbage, and debris collected out of the Lake Creek stream. It was properly and safely disposed of shortly thereafter.

Another program that CHO has in place already as a continued, annual way to provide community giveback is by participating in the popular Michigan Adopt-a-Highway program within Michigan counties that have been deemed struck hardest disproportionately by cannabis prohibition. In the early mornings of July 18th and July 19th, all the employees from CHO set out on M-21 in Ionia County and began cleaning up the community. We have additional and continued official road clean-ups planned in the fall. In total, seven full bags of garbage were collected off the roadside and sidewalks for the greater good of the community.

Our most proud social equity accomplishment is our un-beatable staff diversity. Nine different people from all different backgrounds, heritages, and walks of life were able to

corroborate together an amalgamation of something so beautiful and so inclusive as CHO. We are not a dispensary – we are an experience. We attribute the beauty of CHO to our welcomed and varied staff diversity. This kind of accomplishment is no easy feat but does come with starting out with an open mind and a business model of acceptance, equality, and inclusion. We have no reservations pertaining to employing individuals from communities and backgrounds that have been deemed



disproportionately impacted by cannabis prohibition, or with employing individuals with marijuana convictions. Having only been open for business and state-licensed for less than one year, the nine of us employees in total have been able to achieve great things for the communities that we serve.



- Community Reinvestment Plan -

Our community reinvestment plan is as wide and as diverse as the employees that partake in it. All our ideas on how to give back to the communities that surround us were brainstormed, planned, and executed by our employees. We care about what our staff cares about. We want to support the causes, fundraisers, and organizations that are either deeply personally important to, or that are chosen by, our staff. In this way, we can diversify and achieve (without bias) our community reinvestment and social equity goals. CHO strives hard to accomplish at least one different social equity goal per month. Since implementing our social equity program and community reinvestment plan earlier this year – we have almost achieved so.

CHO has recently adopted a second highway in the popular Adopt-a-Highway program, in addition to continuing to service the first adopted highway for the community as well. The next Adopt-a-Highway clean up dates will fall between September 24th and October 2nd. Our entire staff is planning to attend and volunteer at this event in Montcalm County to help give back to and improve the beauty of the communities that we serve. As of writing this, we are applying for even more Adopt-a-Highway opportunities this year from the Michigan Department of Transportation that fall within Michigan counties that have been disproportionately affected by cannabis prohibition.

Partnering with Tony Baumgartner, owner and operator of Vikki's Bridge Street Pasty Shop (located at 77 S Bridge St in Saranac, MI), CHO has yet created another exciting community giveback opportunity coming up in mid-August. Tony makes and prepares cold submarine sandwiches to raise funds for the local cheerleading team. He donates \$1.35 per submarine sandwich sold to the local cheerleading team to use as they see necessary for the cheer squad. Mr. Baumgartner had expressed a need for help with labor in preparing three thousand cold sub sandwiches coming up soon, so the team at CHO eagerly leaped at the opportunity to volunteer and help him to raise funds for the local cheerleading team.

According to welfareinfo.org, one in every six residents of Saranac, MI (the community that we serve) lives in poverty. We want to fix that. By employing individuals from the areas that we serve, we are thereby also employing individuals who reside in counties that have been deemed disproportionately affected by cannabis prohibition. We currently employ individuals from both Kent and Ionia Counties. We do not advertise employment opportunities using digital forms of media, such as indeed.com, glassdoor.com, Facebook, nor craigslist.com because without using these forms of media we are able to select from a much more wide, diverse, and varied candidate pool. Some potential job applicants may not have access to technological resources to take advantage of these employment opportunities – if you want to apply, all you must do is walk in and ask. Everybody deserves a fair chance at the opportunities that we offer. We plan on continuing in this way to hire from disproportionately affected communities, or those who have been affected by cannabis prohibition, for at least the remainder of this year.

Also, part of our community reinvestment plan for the year 2022 is to give back to the American Legion Post 175 full of veterans next door to us (people who also have been deemed disproportionately affected by cannabis prohibition). We are currently marketing for them a fundraising event that they are hosting. It is the thirteenth annual ladies' auxiliary golf outing that we are promoting for them. In addition to helping get people signed up and marketing their fundraisers, we also currently offer a ten percent discount on goods in our retail store to give back to the veterans who gave some or all for us.

Finally on the board for community reinvestment for 2022, we are hosting a Back-to-School drive for the impoverished children of our community. We will be asking customers for school supply donations, and matching funds donated towards the school supply drive. Earlier in the year we had attempted to do an Earth Day arbor donation, but the logistics of delivery were a prohibiting factor.



- Corporate Spending Plan -

CHO is aware that it takes more than just volunteer time and donations to make real, actual change in a community. Therefore, we have decided to partner with businesses and individuals that have been deemed disproportionately affected by cannabis prohibition. Ideally, we would like to keep our supply chain as diverse as our staff and the surrounding communities. We seek out when able diverse suppliers to support and give preferential treatment to quotes and opportunities representing companies owned by women, ethnic minorities, veterans, LGBTQ, or individuals with disabilities or past cannabis convictions.

Starting from the very beginning, we chose a location for our retail store that helps support a disproportionately affected individual. We have entered into agreement to pay \$180,000 over the next five years to lease the building that CHO uses as a storefront from this disproportionately affected individual.

Additionally, we have partnered with Angela Mackay, owner and operator of Turtle Printing LLC, to produce our employee uniforms, saleable merchandise, and also our marketing materials. Angela identifies as an individual who was disproportionately affected by cannabis prohibition. To date, we have spent a minimum total of \$497 with Turtle Printing LLC for employee uniforms, merchandise, and marketing.

To make community wide changes, it takes a lot of resources. Between volunteer time spent by our staff, to financial contributions, CHO is not afraid to offer solutions to community-wide problems. As a sign of commitment to reinvesting into the communities surrounding, CHO intends to commit 0.5% of sales to be allocated to different community programs that help those who have been deemed disproportionately affected by cannabis prohibition.

There are several social equity plans for 2022 that we currently have shelved for financially limiting reasons only. Once we grow as a company – we want the communities around us to grow too! We have been proudly sticking to our social equity goals that we are able to achieve as a small company of only nine employees and less than a year old. Though we may be small, our hearts and actions are BIG.

- Summary -

CHO is synonymous with caring. Whether that is caring for an individual via mentorship, employment, industry training, retail discounts, consumer education – or caring for an entire community or organization - CHO will happily be there. Through good-faith efforts and productive volunteer work, we here at CHO are always eager to improve the communities around us through our varied and diverse social equity and community reinvestment programs. Having only been in business for nine months, and only having nine employees, we have been able to achieve great things in a very short amount of time with very limited resources. We will continue to always look for new, innovating, and more effective ways to add to our social equity goals and improve the communities that we serve. Sometimes cannabis isn't about money – sometimes cannabis is about love.

